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| Facility | Vendor No. |
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SCHEDULE C - PART 3 (Cont.)

ALLOCATION OF EXPENSES OF FACILITIES PROVIDING MULTILEVEL CARE

| Allocation Basis | ICF | RCF | SNF | ICF/MR | RCF/MR | Total Equal Column 4 | Line |
|------------------|-----|-----|-----|--------|--------|----------------------|------|
| | | | | | | | 81 |
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| Facility | Vendor No. |
| Period of Report: From | To |

SCHEDULE D

| DEPRECIATION AND AMORTIZATION EXPENSE | Asset Cost | Depreciation Allowable in Prior Years | Method | Annual Rate % | Recorded Depreciation Expense | Straight-Line Depreciation |
|--|------------|---------------------------------------|--------|---------------|-------------------------------|----------------------------|
| EQUIPMENT: | | | | | | |
| Building equipment (fixed) | | | | | | |
| Departmental equipment | | | | | | |
| Other equipment | | | | | | |
| Office furniture and fixtures | | | | | | |
| Motor vehicles | | | | | | |
| TOTAL | | | | | | |
| BUILDINGS: (1) | | | | | | |
| CONSTRUCTION | | | | | | |
| Facility | | | | | | |
| Additions | | | | | | |
| Other | | | | | | |
| Land improvements | | | | | | |
| TOTAL | | | | | | |
| TOTAL BUILDINGS AND EQUIPMENT (2) | | | | | | |

- (1) The amount of construction in progress.
- (2) The amount reported as straight-line depreciation must agree with Schedule C, Line 81. The Asset Cost must agree with Schedule E, Comparative Balance Sheet.

LEASEHOLD IMPROVEMENTS (3)

| Description | Construction | Cost | Prior Amount | Period | Recorded | S.T. Line |
|---------------------------|--------------|------|--------------|--------|----------|-----------|
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| TOTAL AMORTIZATION | | | | | | |

(3) Questions:

1. Are the lessor or lessee the same person or group of persons or controlled by the same person or group of persons? Yes No
2. Does the lease contain an option to purchase the leased property? Yes No

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| Period of Report: From | To |

SCHEDULE D-1

Has the facility changed owners since July 18, 1984?

- Yes. Complete this schedule.
- No. This schedule does not apply.

| CHANGE OF OWNERSHIP | Previous Owner's Cost | New Purchases Since Change | Depreciation Allowable in Prior Years | Method | Allowable Straight-Line Depreciation |
|--------------------------------------|-----------------------|----------------------------|---------------------------------------|--------|--------------------------------------|
| EQUIPMENT: | | | | | |
| Building equipment (fixed) | | | | | |
| Departmental equipment | | | | | |
| Other equipment | | | | | |
| Office equipment | | | | | |
| Motor vehicles | | | | | |
| Less equipment not purchased | | | | | |
| TOTAL | | | | | |
| BUILDINGS: | | | | | |
| Facility | | | | | |
| Additions | | | | | |
| Other | | | | | |
| Land improvements | | | | | |
| Less buildings not purchased | | | | | |
| TOTAL | | | | | |
| TOTAL BUILDINGS AND EQUIPMENT | | | | | |

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| Facility | Vendor No. |
| Period of Report: From | To |

SCHEDULE E

| COMPARATIVE BALANCE SHEET All information to be taken from the general ledger. | Balance at End of: | |
|--|--------------------|--------------|
| | Current Period | Prior Period |
| ASSETS: | | |
| Cash | | |
| Investments (Money Market Certificates, Certificates of Deposit, etc.) | | |
| Receivable from residents | | |
| Receivable from others | | |
| Fixed Assets: | | |
| Land | | |
| Buildings and improvements Less allowance for depreciation (per books) | | |
| Equipment (including autos) Less allowance for depreciation (per books) | | |
| Other assets | | |
| TOTAL ASSETS | | |
| LIABILITIES AND EQUITY: | | |
| Accounts payable | | |
| Accrued taxes (payroll and property) | | |
| Other liabilities | | |
| Notes and mortgages payable to officers, stockholders, owners, etc. | | |
| Notes and mortgages payable to others | | |
| TOTAL LIABILITIES | | |
| EQUITY: (1) | | |
| Capital stock | | |
| Paid-in surplus | | |
| Retained earnings | | |
| Partners' and proprietor's capital account(s) | | |
| Partners' and proprietor's drawing account(s) | | |
| Equity (nonprofit organization) | | |
| TOTAL EQUITY | | |
| TOTAL LIABILITIES AND EQUITY | | |

(1) Total equity must equal the total from Schedule F, Reconciliation of Equity.

Error

An error occurred while processing this page. See the system log for more details.

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| Facility | Vendor No. |
| Period of Report: From | To |

SCHEDULE G

Do you include as costs, services, facilities or supplies furnished by a related party or organization?

- Yes. Complete this schedule.
- No. This schedule does not apply.

| TRANSACTIONS WITH RELATED ORGANIZATIONS | | Included in Report | | |
|--|------------------------------------|--------------------|----------|------|
| Name of Related Party or Organization | Description of Service or Supplies | Amount | Schedule | Line |
| | | | | |

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| Facility | Vendor No. |
| Period of Report: From | To |

SCHEDULE H

Nursing facilities participating in the Medicaid program must complete this schedule.

| Occupation or Employment Category | Entry Level Hourly Wage (1) | Average Hourly Wage (2) | Average Hours Per Patient Day (3) |
|--|-----------------------------|-------------------------|-----------------------------------|
| Administrative and Business Office Functions | | | |
| Laundry Services | | | |
| Housekeeping Services | | | |
| Maintenance Services | | | |
| Registered Nurses | | | |
| Licensed Practical Nurses | | | |
| Certified Nurse Aides | | | |
| Certified Medication Aides | | | |
| Restorative Aides | | | |
| Activities | | | |
| Social Services | | | |
| Contracted Nursing Services (4) | | | |
| Other Care Services (5) | | | |
| Medical Records Services | | | |
| Dietary Services | | | |
| Other (please list) (6) | | | |

- (1) **Entry Level Hourly Wage** For each category listed, calculate the starting hourly wage based upon the most current wages scales established as of the end of the cost reporting period. For categories that include more than one position, average the positions included in the category. The basis for these calculations should remain consistent between periods. If you have changed the basis for these calculations between periods, send a brief explanation for the change with this form.
- (2) **Average Hourly Wage** For each category listed, enter the average hourly wage during the cost reporting period. Calculate this amount by dividing the total wages paid by the total hours recorded. For categories that include more than one position, sum all wages for those positions and divide by all hours for those same positions to determine the average hourly wage. The basis for these calculations should remain consistent between periods. If you have changed the basis for these calculations between periods, send a brief explanation for the change with this form.
- (3) **Average Hours Per Patient Day** For each category listed, enter this ratio to demonstrate staffing patterns during the cost reporting period. Calculate this amount by dividing the total hours recorded by the patient days in the period. For categories that include more than one position, sum all recorded hours and divide by the patient days. The basis for these calculations should remain consistent between periods. If you have changed the basis for these calculations between periods, send a brief explanation for the change with this form.
- (4) **Contracted Nursing Services** Include calculations derived from invoices submitted by outside or temporary staffing agencies. Combine all nursing employment categories covered on these invoices, including RNs, LPNs, CNAs, etc.
- (5) **Other Care Services** If you have other categories of employees that don't directly correlate to one of the categories listed, enter them on this line if the position is related to your patient or health care services. Examples include chaplain, religious services, bed-maker, etc.
- (6) **Other** If you have any other categories of employees or contracted workers that don't directly correlate to one of the categories listed, complete this line. Note that contracted therapy services or therapy department employees are specifically excluded from this report.

TN No. MS-0010
 Supersedes TN# MS-00-8
 470-0030 (Rev. 5/00)

Effective JUL 1 2000
 Approval NOV 9 2000

- ◆ Ambulance service
- ◆ Audiologist services
- ◆ Braces and prosthetic devices
- ◆ Chiropractor services
- ◆ Dental work and equipment
- ◆ Hearing aid batteries and cords
- ◆ Hearing aid repairs
- ◆ Hearing aids
- ◆ Hospital services
- ◆ Modifications to orthopedic shoes
- ◆ Optician and optometrist services
- ◆ Occupational or physical therapy provided in a doctor's office or hospital outpatient clinic
- ◆ Physician services
- ◆ Podiatrist services
- ◆ Repair of medical equipment and appliances
- ◆ Skilled services
- ◆ X-rays, laboratory work

e. Personal Needs Items

Residents may choose to purchase personal needs items through the facility. Revenues from these items must offset the related expense account.

Licensing rules for facilities require that the facility provide materials for activity programs and recreation. Items purchased for general use by the facility should be included in routine service costs and should not be charged to residents.

A resident may purchase a wheelchair from personal needs funds to be used exclusively by the resident. A wheelchair purchased by a resident reverts to the resident's estate or to relatives upon death.

A resident may purchase a television set or an air conditioner from personal needs funds for use in the resident's room only. Appliances must revert to the resident's estate or to relatives. Reasonable charges for electricity for use of appliances are allowable personal needs fund charges, if a like amount is included in Schedule C as a reduction in cost for utilities (Line 31).

In NFs and ICF/MRs, if nonlegend drugs or nonprescription vitamin pills are ordered by a physician, they must be included in routine service charges and are an allowable cost. If a resident requests these items and the items are not ordered by a physician, they may be charged to the resident.

f. Average-Private Pay Rate

To compute the average private pay rate, accumulate the total monthly changes for all private-pay residents for the six-month period. Divide this sum by the total patient days for all private-pay residents for the same period.

“Total monthly changes” include the basic change plus all changes for extra care, services, or supplies.

4. Schedule B: Expense Adjustments

Certain expenses must be eliminated or limited because they are not normally incurred in providing patient care. Rules concerning these expenses are set forth below. The amounts entered on Schedule B are transferred to Schedule C, Column 3. The totals of these columns on both schedules must agree.

The following expenses are not reimbursable:

- ◆ **Income Taxes.** Federal and state income taxes are not allowable as reimbursable costs.
- ◆ **Fees Paid Directors and Nonworking Officers’ Salaries.** Fees paid to directors and nonworking officers’ salaries are not allowable as reimbursable costs.
- ◆ **Bad Debts.** Bad debts are amounts considered to be uncollectable from accounts and notes receivable which were created or acquired in providing services. Bad debts are not an allowable cost.
- ◆ **Charity Allowances.** Charity allowances are reductions in charges made by the provider of services because of the indigence or medical indigence of the resident. Charity allowances are not an allowable cost.

The accounts under these categories are segregated to provide required statistical information. All expense carried on the provider's general ledger must be entered in Column 1.

Column 2 and 3 (Adjustment of Expenses) reflect adjustments from Schedule A and B for items which are not allowable as costs to provide resident care. Column 4 shows the expense related to resident care.

Costs allocated to certain line items on Schedule C are limited. See **SCHEDULE B: EXPENSE ADJUSTMENTS** for an explanation of these limits.

Following is a description of each line of Schedule C.

a. Administrative Costs

LINE 1: ADMINISTRATOR WAGES. Salary of the facility administrator including regular pay, overtime pay, sick pay, holiday pay, vacation pay, bonus, and other compensation paid to the administrator through payroll. See Schedule B instructions for limits that may apply.

LINE 2: BUSINESS OFFICE WAGES. Salaries and wages for other administrative positions, such as assistant administrator, bookkeeper, and clerical support. Include in this line all regular pay, overtime pay, sick pay, holiday pay, vacation pay, bonus, and other compensation paid to administrative staff through payroll.

LINE 3: EMPLOYERS TAXES (ADMINISTRATIVE). Payroll taxes related to the salaries and wages included in lines 1 and 2.

LINE 4: GROUP HEALTH, LIFE, AND RETIREMENT BENEFITS (ADMINISTRATIVE). Health, life and retirement benefits related to the salaries and wages in lines 1 and 2. (Report officer's life insurance on line 93.)

LINE 5: WORKER'S COMP INSURANCE (ADMINISTRATIVE). Worker's compensation insurance expenses related to the salaries and wages in lines 1 and 2.

LINE 6: EMPLOYMENT ADVERTISING AND RECRUITMENT (ADMINISTRATIVE). Costs of advertising for hiring of administrative positions.

LINE 7: CRIMINAL RECORD CHECKS (ADMINISTRATIVE). Costs associated with conducting criminal record checks for positions included in lines 1 and 2.

LINE 8: EDUCATION AND TRAINING (ADMINISTRATIVE). Costs of training seminars and courses, such as registration fees, course materials, and associated travel and lodging costs.

LINE 9: SUPPLIES (ADMINISTRATIVE). Expenses for administrative operations such as computer, postage, copier, and printing supplies.

LINE 10: TELEPHONE. Expenses for telephone and paging services.

LINE 11: EQUIPMENT RENTAL (ADMINISTRATIVE). Rent expense of equipment used to support administrative operations.

LINE 12: HOME OFFICE COSTS. Costs for essential services provided from a central location.

Facilities with a home office or principal headquarters which receive essential services from this office must annually provide a copy of their general ledger trial balance. These facilities must also provide a copy of their grouping schedules that demonstrate how the accounts on their trial balance are grouped by the individual line items on their cost reports.

These schedules must demonstrate the basis for allocation of home office costs to the specific lien items on each facility cost report, including compliance and limitations on:

- ◆ Owner and related party compensation
- ◆ Purchase of services from related parties
- ◆ Allocation methods to Iowa nursing facilities and other businesses
- ◆ Travel and transportation costs
- ◆ Advertising
- ◆ Director's fees and related expenses
- ◆ Contributions
- ◆ Income tax

LINE 13: MANAGEMENT FEES. Costs for management fees of a facility.

LINE 14: ACCOUNTING COSTS, LEGAL, AND OTHER PROFESSIONAL FEES. Costs for contracted accounting, legal, or other administrative professional services.

LINE 15: GENERAL LIABILITY INSURANCE. Expense of general liability insurance.

LINE 16: TRAVEL, ENTERTAINMENT, AND AUTO. Costs for entertainment, travel other than related to education above, and expenses for agency-owned vehicles when not providing transportation for patients. These expenses are limited to 6% of line 18 minus this line. See Schedule B instructions for other limits that may apply.

LINE 17: ADVERTISING AND PUBLIC RELATIONS. Costs for general advertising of services, marketing, development, promotion, and public relations. This line is limited to \$3,600.

LINE 18: BLANK. Use this line for any miscellaneous administrative costs that do not fit the definitions of the lines above. If more than one type of cost is included in this line, please provide a schedule detailing the costs involved.

LINE 19: TOTAL ADMINISTRATIVE COSTS. Represents the total of all costs reported in lines 1 through 18.

b. Environmental Services Costs

LINE 20: LAUNDRY WAGES. Salaries and wages for positions that provide laundry services. Include in this line all regular pay, overtime pay, sick pay, holiday pay, vacation pay, bonus, and other compensation paid to laundry staff through payroll.

LINE 21: HOUSEKEEPING WAGES. Salaries and wages for positions that provide housekeeping services. Include in this line all regular pay, overtime pay, sick pay, holiday pay, vacation pay, bonus, and other compensation paid to housekeeping staff through payroll.

LINE 22: MAINTENANCE WAGES. Salaries and wages for positions that provide maintenance services. Include in this line all regular pay, overtime pay, sick pay, holiday pay, vacation pay, bonus, and other compensation paid to maintenance staff through payroll.

| | | | | | |
|-------------------|-----------------|---------------|-------------------|----------------|-------------------|
| TN No. | <u>MS-00-10</u> | Approval Date | <u>NOV 9 2000</u> | Effective Date | <u>JUL 1 2000</u> |
| Supersedes TN No. | <u>MS-99-10</u> | | | | |

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

00 - 009

2. STATE:

Iowa

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN
- AMENDMENT TO BE CONSIDERED AS NEW PLAN
- AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Part 440, Subpart B

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 1,586

b. FFY 2001 \$ 4,757

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, page 6b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Attachment 4.19-B, page 6b (MS-99-11)

10. SUBJECT OF AMENDMENT:

Rate increase for EPSDT rehabilitative treatment providers

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Jessie K. Rasmussen

14. TITLE:

Director

15. DATE SUBMITTED:

August 9, 2000

16. RETURN TO:

Director
Department of Human Services
Hoover State Office Building, 5th Floor
Des Moines, IA 50319-0114

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

08/17/00

18. DATE APPROVED:

NOV 2 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 1 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid and State Operations

23. REMARKS:

cc:
Rasmussen
Headlee

SPA CONTROL

Date Submitted 08/09/00

Date Received 08/17/00

Methods and Standards for Establishing Payment Rates for Other Types of Care**Reimbursement of EPSDT Rehabilitative Treatment Services for Persons Aged 20 or Under**
(Cont.)

Effective January 1, 1998, the Department may approve rate adjustments through negotiations with individual providers for specific services, based on a documented increase or decrease in allowable, reasonable, and necessary costs or utilization related to one or more of the factors listed below.

Negotiated rates must use either the existing rate or, for new services, the weighted average rate as a starting point for negotiations. Any changes from this starting point must be documented and based upon one or more of the factors listed below.

Factors:

- ◆ Changes in the Consumer Price Index for all Urban Consumers (CPI-U), not to exceed the change in the CPI-U for the previous calendar year.
- ◆ Changes in a provider's allowable costs based on current actual cost data or documented projections of costs.
- ◆ Changes in program utilization that impact the per unit cost of a program.
- ◆ Changes in where a service is to be delivered (e.g., client's home versus provider's office).
- ◆ Loss of a grant by a provider where the grant amount had previously been used to offset expenses which had resulted in a lower rate for rehabilitative treatment and supportive services. When the grant terminates, Medicaid is willing to recalculate rates.
- ◆ Changes in state or federal laws, rules, or regulations that result in a change in the cost attributable to a service.
- ◆ Rate comparability to more accurately reflect customary rates in the community.
- ◆ Department funding availability.

For state fiscal year 2001, rates in effect as of June 30, 2000, will receive a 5% across-the-board increase in lieu of any individual rate adjustments during state fiscal year 2001. Due to the lack of historical salary increases and changes in the market due to low unemployment, providers have not been able to maintain competitive salaries. This has led to an inability to hire and retain appropriately qualified staff. The intent of the increase is to improve staff salaries.

| | | | |
|-------------------|-----------------|-----------|-------------------|
| State Plan TN No. | <u>MS-00-9</u> | Effective | <u>JUL 1 2000</u> |
| Superseded TN No. | <u>MS-99-11</u> | Approved | <u>NOV 2 2000</u> |